

The President's Daily Brief

June 5, 1974

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THE PRESIDENT'S DAILY BRIEF

June 5, 1974

PRINCIPAL DEVELOPMENTS

The USSR and Japan are trying to still the controversy touched off last week by Western press reports that the USSR no longer wants foreign participation in developing Siberian resources. Soviet officials have gone to unusual lengths to deny the reports. (Page 1)

Three Soviet minesweepers are apparently on their way to undertake minesweeping operations for Egypt at the southern end of the Gulf of Suez. (Page 2)

Turkey's withdrawal of its research ship from contested areas of the Aegean Sea has further diminished chances of a serious incident between Greece and Turkey. (Page 3)

Phnom Penh is calm in the wake of the killing of the minister of education and a presidential aide by student agitators yesterday. The police have arrested several students and have imposed an extended curfew. (Page 4)

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(Page 5)

Talks begin today between the Portuguese and leaders of the insurgent movement in Mozambique. The insurgents are in a good bargaining position. (Page 6)

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Some dissident military units in Bolivia may have revolted against the Banzer government. (Page 7)

Notes on Israel-Syria, Egypt-Israel, [redacted]
[redacted] also appear on Page 7.

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USSR-JAPAN

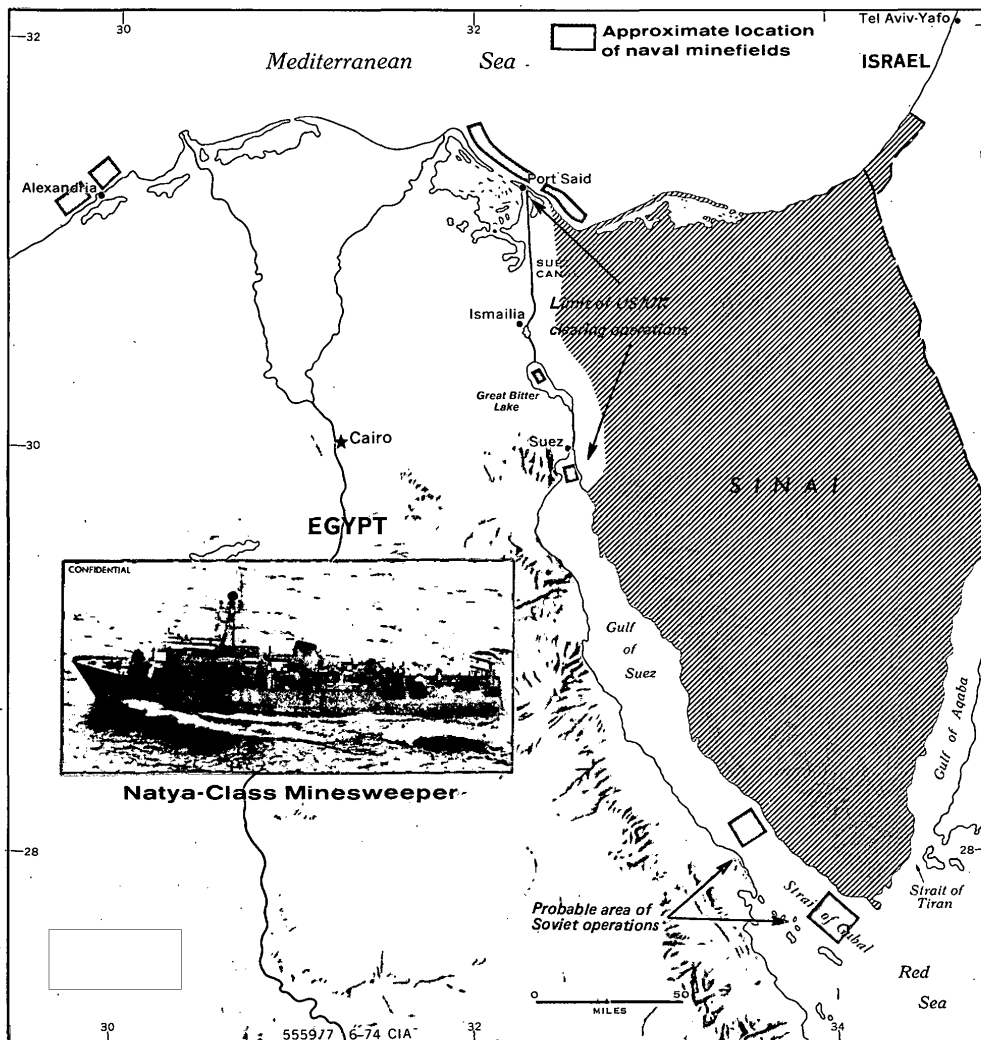
The Soviets and Japanese are trying to still the controversy touched off last week by Western press reports that Soviet Oil Minister Shashin had said the USSR no longer wants foreign participation in developing Siberian resources. The day after Shashin spoke, D. M. Gvishiani, deputy chairman of the Soviet State Committee for Science and Technology, telephoned officials at Gulf Oil and told them to disregard Shashin's remarks.

The Soviet ambassador in Tokyo also moved quickly to set the record straight. He stressed publicly that Moscow's attitude toward Siberian projects had not changed. Tass reaffirmed Soviet interest in development talks with other countries--particularly Japan--and the Japanese press also emphasized that Shashin's remarks had been misinterpreted.

Shashin apparently did indicate that the Tyumen oil development project is dead, but this has become increasingly clear over recent months. The Japanese lost interest in Tyumen as the estimates of oil reserves went down and the price per barrel increased. The Soviet suggestion in April that the oil be transported by an expensive second Siberian railroad, rather than by pipeline, further dampened Japanese enthusiasm.

There is no sign, however, that either Moscow or Tokyo has lost interest in exploring for natural gas in Yakutsk or for offshore oil near Sakhalin. In addition, Moscow has hailed the signing on June 3 of a Soviet-Japanese agreement to exploit Siberian coking coal deposits as the beginning of large-scale, long-term economic cooperation. The accord will enable Tokyo eventually to obtain coking coal worth about \$8 billion at projected world prices.

Soviets To Sweep Mines In the Gulf of Suez



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USSR-EGYPT

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Three Soviet minesweepers [redacted]
[redacted] may be on their way to undertake minesweep-
ing operations for Egypt in the Strait of Gubal at
the southern end of the Gulf of Suez. An Egyptian
newspaper reported recently that the USSR will clear
mines and war debris from the Gulf of Suez before Au-
gust 18, at no cost to Cairo.

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The Soviet ships--all Natya-class units--are
the Soviet navy's most modern seagoing minesweepers.
The USSR may also send two minesweepers now in the
Indian Ocean and others from the Pacific Fleet, as
it did during the Bangladesh harbor-clearing opera-
tion.

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GREECE-TURKEY

Ankara's withdrawal of its research ship from contested areas of the Aegean Sea has further diminished chances of a serious incident between the two countries. According to a Turkish foreign ministry official, the oil exploration ship "completed its mission" yesterday and is returning to Turkish waters with its naval escort. The official said that Ankara would shortly respond to the Greek note of May 25 in which Athens, while stopping short of agreement to negotiate the seabeds issue, suggested that there was some basis for discussion. The Turkish official added that Ankara would seek to resolve problems in a spirit of "mutual understanding," but would defend its rights to the "bitter end."

The US consulate in Thessaloniki reported on June 3 that the alert was being eased in northern Greece, although military movements were continuing. Turkish forces also seem to have relaxed the high level of alert set late last week.

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CAMBODIA

Phnom Penh is calm in the wake of the killing of the minister of education and a presidential aide by student agitators yesterday. The police have arrested many students, imposed an extended curfew, and suspended classes for three days starting today; at least six students have been killed or wounded.

The students who seized the two government officials at the Ministry of Education hoped to exchange them for nine students and teachers recently detained by police for subversive activity. It appears that the officials were shot by their captors when police stormed the high school.

Yesterday's bloodshed has its roots in the students' and teachers' long-standing discontent with the government's performance. During the past year teachers have staged strikes, public protests, and a work slowdown to dramatize their demands for higher wages. The teachers were joined on occasion by students protesting the government's failure to reduce corruption and inflation.

The students' extremism may arouse public sympathy for the government. At the same time, however, the killings may inspire opportunistic critics within Lon Nol's dominant Socio-Republican Party to increase their attacks on Prime Minister Long Boret for failing to take strong action against the agitators some time ago.

Thus far the government has used restraint in dealing with student and teacher unrest; if it should overreact this time, there may be more violence. Judging from past performance, the government is not likely to succeed in redressing the grievances that have generated the discontent.

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CANADA - INDIA

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MOZAMBIQUE

Talks between the Portuguese and leaders of the insurgent movement in Mozambique open today in Lusaka, Zambia. The insurgents are in a good bargaining position, largely because of their strong military situation.

Since the first of the year they have extended their operations into central Mozambique, an area of heavy white settler concentration. The settlers there have protested inadequate government security measures; they fear that Lisbon intends to pull out its troops and turn the area over to the insurgents.

In recent weeks, unrest among whites has spread to the capital of Lourenco Marques, an area that has not been touched by the insurgency. The situation there has been aggravated by labor agitation, growing support for the insurgents among the African population, and Lisbon's long delay in appointing a new governor general for the territory.

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[REDACTED] Because of this pessimistic view, Lisbon is likely to hold out for gradual political change in the territory. The Portuguese may be forced, however, to meet the front's demands for early recognition of an independent Mozambique or risk intensified insurgency.

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NOTES

Bolivia: Some dissident military units may have revolted against the Banzer government. Press reports from Bolivia this morning indicate that tanks and armored cars have surrounded the presidential palace in La Paz and that troops were keeping reporters away at gunpoint. Meanwhile, President Banzer is in the city of Sucre, 360 miles southeast of the capital. Late yesterday it appeared that Banzer had defused the coup plotting by deciding to exile some of the leading dissident military officers who have been planning his ouster for some time.

Israel-Syria: Israel apparently has begun to pull back some of its forces in the Golan Heights.

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There is no evidence that Syria has begun to withdraw its forces from the front.

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Egypt-Israel:

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